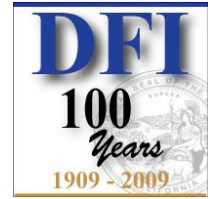




Monthly Bulletin



Volume 14, Number 8

February 2011

Commissioner Makes Eligibility Determination on Ratings Services, Ratings

The Commissioner has found that certain securities ratings services are eligible securities ratings services for the purposes of the Money Transmission Act. The Commissioner has also found that the certain ratings issued by the eligible ratings services are eligible ratings for the purposes of the Money Transmission Act. Please refer to the [Order](#) for a detailed listing of the eligible securities ratings services and eligible securities ratings.

This Order applies to all licensees under the Money Transmission Act, and is effective immediately.

Please contact Julio Prada at (415) 263-8540 or by email at jprada@dfi.ca.gov or Oscar Lumen at (415) 263-8577 or by email at olumen@dfi.ca.gov if you have any questions.

Corporate Governance Guidance for Credit Unions

Due to recent media attention regarding the total compensation of credit union managers ("Management"), the Department believes it is important to reemphasize the relationship of the Board of Directors and Management of a credit union. It is the responsibility of the Board to oversee the general operations of the credit union, to set policy with regard to the major aspects of the credit union's business, and to act in good faith and exercise due care in making proper business decisions that are first and foremost in the best interest of the credit union and its members. Oversight of management performance and the setting of management compensation are key elements of these responsibilities. In determining the compensation of Management, the Department expects the Board to establish levels of compensation appropriate for the size, complexity, and attributable performance of the credit union. Moreover, the Department expects the Board to carefully consider and document the factors and considerations used to set compensation packages and to record its deliberations.

Accordingly, the Department's examiners will be taking a closer look at these Board processes.

45 Fremont Street, Suite 1700, San Francisco, CA 94105-2219
300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
1810—13th Street, Sacramento, CA 95811
7575 Metropolitan Drive, Suite 108, San Diego, CA 92108-4421
Consumer Compliance

(415) 263-8500
(213) 897-2085
(916) 322-5966
(619) 682-7227
(800) 622-0620

Warning Notice - Premier Business and Investment Group/Premier Bank and Investment Group

Premier Business Bank has advised the Department that on or about January 31, 2011 they discovered a fraudulent website using the bank's FDIC Certificate number for an entity called "Premier Business and Investment Group". Their website address is <http://www.premierbusinessinvestment.com>; phone: 800-539-0450; email address info@premierbusinessinvestment.com; Loan Agent, Richard Foster.

The fraudulent group promotes a loan product which appears to be a Loan Fee Advance or Nigerian 419 fraud scheme. They request nonpublic information from prospective targets and lure individuals to prepay fees and/or loans interest wired to a bank in Canada. All of the victims who sent money sent an average of \$758, with the exception of one customer who sent \$5,000.

The bank began receiving calls from persons wanting to verify if it was affiliated with Premier Business and Investment Group so it worked to shut down the website. About a week later, the group set up a new website with the name Premier Bank and Investment Group. Again, the bank worked to shut down the new web site. The information for Premier Bank and Investment Group is as follows: <http://www.premierbankandinvestmentgroup.com>; phone: 800-539-0450; email address info@premierbankandinvestment.com; Loan Agent, Richard Foster.

The address on the "Contact Us" page of the fraudulent website reflected the actual physical address of Premier Business Bank, but without the bank's suite number.

The bank requests that inquiries regarding this matter be directed to Executive Vice President and Chief Financial Officer Mr. Randall T. Hata at (213) 443-4802 or Senior Vice President and Compliance Officer Kristy M. Smith at (213) 443-4849.

Liquidation of Charter Oak Bank

On Friday, February 18, 2011, the Commissioner of Financial Institutions took possession of Charter Oak Bank and ordered that it be liquidated. The Commissioner then appointed the Federal Deposit Insurance Corporation (FDIC) as Receiver, and the FDIC accepted the appointment.

Liquidation of Oakland Municipal Credit Union

On February 4, 2011, the Commissioner of Financial Institutions took possession of Oakland Municipal Credit Union and ordered that it be Liquidated. The Commissioner then appointed the National Credit Union Administration (NCUA) as receiver, and the NCUA accepted the appointment.

Commercial Bank Activity

Purchase of Partial Business Unit

First California Bank, Westlake Village, to acquire the Electronic Banking Solutions Division of Palm Desert National Bank, Palm Desert

Filed: 1/18/11

Acquisition of Control

The Bagge Family Trust, to acquire control of Mission Valley Bank

Filed: 5/10/10

Approved: 2/3/11

Marc Foulkrod, to acquire control of Mission Valley Bank

Filed: 11/22/10

Approved: 2/3/11

Change of Name

The Private Bank of the Peninsula, to change its name to Avidbank

Effectuated: 2/23/11

Credit Union Activity

Field of Membership

Two credit unions received approval to add two new fields of membership during January 2011.

Bylaw Amendment

Four credit union received approval for four bylaw amendment during January 2011.

Merger

Cal State Central Credit Union, Santa Rosa, to merge with and into Redwood Credit Union, Santa Rosa

Filed: 2/18/11

Guadalupe Federal Credit Union, Mountain View, to merge with and into National 1st Credit Union

Filed: 2/4/11

Motion Picture Federal Credit Union, Valley Village, to merge with and into Musicians' Interguild Credit Union, Hollywood

Effectuated: 2/1/11

Merger (Continued)

Star Energy Credit Union, Bakersfield, to merge with and into Chevron Federal Credit Union, Oakland

Approved: 1/7/11

Effected: 2/1/11

Foreign (Other State) Bank Activity

New Facility

Reliance Trust Company

610 Alamo Pintado Road, Solvang, Santa Barbara County (Facility – Uninsured Trust Company)

Approved: 2/7/11

Errata

There was an error in the heading for the increase in the uninsured deposit announcement in the January 2011 issue of the Monthly Bulletin. The increase is in the minimum amount of uninsured domestic deposits that may be accepted at state foreign (other nation) wholesale Branches, not the maximum amount. A wholesale branch can accept \$250,000 or more in domestic deposits, but not less than \$250,000.

WILLIAM S. HARAF
Commissioner of Financial Institutions

Bulletin for Month ended
February 2011, issued pursuant
to Financial Code section 258



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